

Projected Changes in Fund Balances

In reviewing Monroe County's adopted budget, the reader will notice that County practice is to appropriate all of the beginning fund balances, and all revenues and other sources of income. As a result, it appears the County intends to spend all available funds by the end the fiscal year. That is not the case. Although Florida statutes require the appropriation of fund balances as a part of each year's budget, differences between estimates of spending and actual spending, as well as conservative estimates of revenues will normally result in some surplus funds each year. Monroe County attempts to prepare prudent estimates of revenues and spending each year to ensure the financial stability of our funds. Estimation of actual revenues and spending and projection of fund balances is very difficult but nonetheless very important part of County budgeting.

The County estimates or projects its fund balances at the end of the year through the following process:

First, since the County must prepare its annual budget prior to the time that the previous year's financial books are closed and audited, we must estimate the projected actual prior-year ending fund balances. These estimates serve as the basis for projecting the coming budget year ending fund balances.

Second, we estimate the percentage of *budgeted* revenues that will actually be received. This percentage is the result of analysis of prior year budget versus actual revenues. Typically, revenues are conservatively estimated and will likely exceed budgeted figures by a small amount each year. For example, under Florida Statutes, only 95% of estimated revenues are appropriated. While a 95% factor may be reasonable for ad valorem collections, where adjustments to the tax roll and discounts for early payment result in collections of about 95%, it tends to understate collections from other revenues. This 5% safety margin results in excess revenues from non-ad valorem revenues.

Third, OMB estimates the percentage of *budgeted* appropriations, excluding budgeted reserves, that will actually be expended. This percentage is the result of analysis of prior year budget versus actual spending. As might be expected, actual spending typically falls below the budgeted amounts by a small fraction each year and there is generally a surplus of budget funds remaining at the end of the year.

The end-of-year fund balances are then calculated by adding the *estimated actual* revenues, and subtracting the *estimated actual* expenditures from the estimated beginning fund balances to yield the projected year-end fund balances.

The projected year-end fund balances are important because they help predict the financial condition of each fund and help County staff predict and prepare for unusual situations in advance. The estimated balances also help us avoid large swings in taxation and other fee assessments one year over the next and, in the case of capital funds, help to monitor the accumulation of capital over a number of years for large projects.

The following table summarizes, in the manner described above, the fund balance projections for the major Monroe County funds.

Projected Changes in Fund Balances

Fund	Audited 9/30/2003	Projected Actual		Projected Impact of FY 04	Estimated 9/30/2004	Fiscal Year 2005 Projected Actual		Estimated 9/30/2005	FY04 Var Forecast Revenue		FY04 Var. Forecast Appropriations	
	Fund Bal	Revenues	Expenses	Operations	Fund Bal	Revenues	Expenses	Fund Bal				
GENERAL FUND												
001 GENERAL FUND AND												
002 SUPP TO GEN FUND- LIBRARY ¹	19,541,511	35,870,119	37,271,949	(1,401,830)	18,139,681	31,957,114	32,425,853	17,670,942	1.05	30,472,818	0.89	36,502,024 001
TOTAL GENERAL FUND	19,541,511	35,870,119	37,271,949	(1,401,830)	18,139,681	31,957,114	32,425,853	17,670,942	0.99	0	0.95	0 002
SPECIAL REVENUE FUNDS												
100 AFFORDABLE HOUSING PROGRAMS	271,105	12,143	5,254	6,889	277,994	31,344	19,469	289,869	7.57	4,143	0.07	272,436 100
101 LAW ENFORCEMENT, JAIL, JUDICIAL	10,605,225	37,072,409	38,505,356	(1,432,947)	9,172,278	33,050,823	35,712,388	6,510,713	0.82	40,087,867	0.86	41,422,859 101
102 ROADS ²	8,939,489	5,672,717	8,508,457	(2,835,740)	6,103,749	6,380,974	4,618,020	7,866,703	1.33	4,794,000	0.50	9,258,725 102
103 LAW LIBRARY	28,053			-	28,053	-	-	28,053	1.01	-	0.94	- 103
115 TDC TWO PENNY	3,349,859	2,749,756	3,090,000	(340,244)	3,009,615	2,989,032	2,899,596	3,099,051	1.19	2,569,344	0.64	5,097,846 115
116 TDC TWO PENNY GENERIC ³	3,664,026	5,647,840	6,510,437	(862,597)	2,801,429	6,044,535	6,670,434	2,175,530	1.16	5,474,079	0.81	8,231,315 116
117 TDC DISTRICT 1 THIRD PENNY	3,653,148	2,287,346	2,924,925	(637,579)	3,015,569	2,451,802	2,284,404	3,182,967	1.18	2,183,687	0.47	4,815,859 117
118 TDC DISTRICT 2 THIRD PENNY	464,827	226,994	337,228	(110,234)	354,593	252,987	258,522	349,058	1.28	219,283	0.44	589,311 118
119 TDC DISTRICT 3 THIRD PENNY	938,748	587,101	571,185	15,916	954,664	662,129	773,375	843,418	1.35	495,051	0.54	1,434,005 119
120 TDC DISTRICT 4 THIRD PENNY	900,918	545,412	424,029	121,383	1,022,301	575,811	876,852	721,260	1.18	490,560	0.54	1,625,189 120
121 TDC DISTRICT 5 THIRD PENNY	648,274	588,484	473,696	114,788	763,062	628,707	786,826	604,943	1.11	563,212	0.61	1,283,174 121
125 GOVERNMENTAL FUND TYPE GRANT	3,099,304	7,859,458	8,564,727	(705,269)	2,394,035	-	400,000	1,994,035	15.92	-	16.51	400,000 125
130 IMPACT FEES FUND - ROADWAY	6,814,336	180,196	130,415	49,781	6,864,117	361,034	335,942	6,889,210	1.57	229,700	0.06	6,013,782 130
131 IMPACT FEES FUND - PARKS	1,008,377	45,592	60,000	(14,408)	993,969	46,312	28,508	1,011,773	1.00	46,500	0.03	842,205 131
132 IMPACT FEES FUND - LIBRARY	449,607	46,768	51,929	(5,161)	444,446	39,441	16,099	467,788	0.88	45,000	0.05	328,524 132
133 IMPACT FEES FUND - SOLID WASTE	169,347	192,397	-	192,397	361,744	21,006	15,424	367,326	1.29	16,300	0.05	283,264 133
134 IMPACT FEES FUND - POLICE	155,159	32,900	-	32,900	188,059	27,250	58,573	156,737	0.83	32,900	0.36	164,748 134
135 IMPACT FEES FUND - FIRE FACILITIES	251,355	18,857	43,200	(24,343)	227,012	23,021	39,112	210,921	1.16	19,851	0.15	259,252 135
141 FIRE & AMBULANCE DISTRICT 1	1,621,217	5,962,887	5,835,663	127,224	1,748,441	6,109,808	4,973,045	2,885,204	1.04	6,995,441	0.88	6,919,006 141
144 UPPER KEYS TRAUMA CARE DISTRICT	2,793,120	56,091	185,929	(129,838)	2,663,282	74,845	262,437	2,475,690	1.50	50,000	0.16	1,639,511 144
146 FIRE & AMBULANCE DISTRICT 6	469,360	872,435	953,412	(80,977)	388,383	911,911	812,793	487,501	1.01	1,290,643	0.73	1,249,113 146
147 UNINCORP PARKS & BEACHES	389,629	1,818,490	1,162,350	656,140	1,045,769	1,686,945	1,231,017	1,501,697	1.03	1,646,291	0.77	1,596,475 147
148 MSTD - PLNG/BLDG/CODE/FIRE MAR ⁵	10,142,580	8,085,554	8,662,834	(577,280)	9,565,300	8,994,760	7,967,083	10,592,977	1.47	5,325,553	0.76	9,667,807 148
149 MUNICIPAL POLICING	1,452,802	5,608,805	6,036,772	(427,967)	1,024,835	4,854,654	4,678,163	1,201,326	0.81	6,288,125	0.77	6,546,121 149
150 911 ENHANCEMENT FUND	456,953	417,610	396,612	20,998	477,951	537,152	498,275	516,828	1.32	406,365	0.75	660,636 150
152 DUCK KEY SECURITY DISTRICT	137,221	72,800	72,378	422	137,643	75,627	113,213	100,057	1.12	67,500	0.69	147,225 152
153 LOCAL HOUSING ASSIST TRUST FUND	1,875,955	1,055,892	508,196	547,696	2,423,651	924,573	1,213,281	2,134,943	1.46	633,314	0.64	1,908,896 153
157 BOATING IMPROVEMENT FUND	765,295	725,000	472,602	252,398	1,017,693	534,806	269,659	1,282,840	1.62	510,000	0.46	729,500 157
158 MISC SPECIAL REVENUE FUND	1,946,678	347,967	188,467	159,500	2,106,178	554,261	509,795	2,150,643	0.55	-	0.00	1,161,700 158
160 ENVIRONMENTAL RESTORATION FUND	69,282	882	19,924	(19,042)	50,240	-	50,000	240	0.00	330,000	0.00	330,063 160
162 LAW ENFORCEMENT TRUST FUND	275,495	334,743	383,962	(49,219)	226,276	2,000	1,900	226,376	0.00	2,000	0.00	1,900 162
163 COURT FACILITIES FEES TRUST (602)	796,650	55,231	1,574	53,657	850,307	35,000	329,995	555,312		35,000		163
164 CLERK'S DRUG ABUSE TRUST (603)	58,852	10,983	-	10,983	69,835	5,000	28,750	46,085		5,000		164
166 MARATHON MSTU	-	956,852	229,000	727,852	727,852	994,000	894,300	827,552	0.00	1,173,180	0.00	1,719,521 166
167 CONCH KEY MSTU	-	9,587	3,300	6,287	6,287	9,961	8,963	7,285	0.00	14,559	0.00	18,931 167
168 BAY POINT MSTU	-	38,308	9,500	28,808	28,808	39,775	35,786	32,797	0.00	52,393	0.00	73,773 168
169 BIG COPPITT MSTU			-							170,474		159,000
170 KEY LARGO MSTU	-	769,840	425,000	344,840	344,840	799,600	719,620	424,820	0.00	961,565	0.00	1,183,487 170
TOTAL SPECIAL REVENUE FUNDS	68,662,246	90,966,327	95,748,313	(4,781,986)	63,880,260	80,730,886	80,391,621	64,219,526				
DEBT SERVICE FUNDS												
207 TOTAL ALL DEBT SERVICE FUNDS	2,602,987	6,417,128	7,156,153	(739,025)	1,863,962	7,025,756	7,117,756	1,771,962	0.00	2,471,275		2,463,275 207
TOTAL DEBT SERVICE FUNDS	2,602,987	6,417,128	7,156,153	(739,025)	1,863,962	7,025,756	7,117,756	1,771,962				
CAPITAL PROJECTS FUNDS												
304 PENNY INFRASTRUCTURE SALES TAX	34,809,939	17,001,815	13,510,489	3,491,326	38,301,265	12,300,000	11,995,091	38,606,174	1.49	10,875,000	0.45	35,813,226 304
305 1991 SALES TAX REVENUE BONDS ⁶				-	-	-	-	-	0.00	-	0.00	0 305
306 CLERK'S REV NOTE, CAPITAL	354,428	4,511	189,500	(184,989)	169,439	349,470	-	518,909	0.00	306	0.20	306
307 2003 REVENUE BONDS	20,885,814	386,093	2,150,487	(1,764,394)	19,121,420	150,000	10,082,000	9,189,420	0.00	150,000		19,014,501 307
TOTAL CAPITAL PROJECTS FUNDS	56,050,181	17,392,419	15,850,476	1,541,943	57,592,124	12,799,470	22,077,091	48,314,503				
GRAND TOTAL	146,856,925	150,645,993	156,026,891	(5,380,898)	141,476,027	132,513,226	142,012,321	131,976,932				

¹ Fund 001 and 002 were combined in Fiscal Year 2004

² This fund balance is expected to decline due to an increase in road projects being completed.

³ Fund 116 is expected to have a decline in fund balance due to increased advertising expenditures.

⁴ Fund 117 is expected to have a decline in fund balance due to timing of capital projects

⁵ Fund 148 will have a decline in fund balance due to litigation lost by Monroe County

⁶ Fund 305 was closed during Fiscal Year 2003